



AUGUST 31, 2007

Dear Sisters and Brothers:

We want to update you on the progress of negotiations with United Parcel Service as we prepare to return to the bargaining table on September 5. As you know, negotiations were suspended in July when UPS insisted that it needed time to discuss with the Central States Pension Fund how much a withdrawal from that fund would cost. The Company said it needed this information before it could bargain about economic items, including our demands for increases in wages and benefits. The Company indicates that it has the information it needs from Central States and is now prepared to place a comprehensive economic proposal on the table for consideration by the Union Negotiating Committee.

We will resume negotiations with the same pledge that we made to you when negotiations were started. Although we have agreed to discuss the Company's demand to withdraw from the Central States Pension Fund, we have not agreed to that demand. We will only consider a proposal that guarantees fair and secure health and retirement benefits for UPS employees without sacrificing the security of benefits provided by Central States and other jointly administered Teamster funds.

The most important measure of the financial health of a retirement fund is its "funding percentage"—a comparison of its assets to its liabilities. Many complicated calculations enter into determining this number. But a careful review by the independent actuaries hired by the International Union to evaluate the impact of a UPS withdrawal on the future of the Central States Pension Fund has advised that this basic measure of the health of the Fund will dramatically increase if UPS is required to make the proper lump sum payment to Central States upon withdrawing and assume responsibility through the operation of a separate jointly administered fund for the retirement benefits guaranteed to UPS employees. The actuaries continue to study all of the details of a UPS withdrawal from Central States. The Union will not recommend any proposal that fails to guarantee the continued security of retirement benefits earned by UPS members currently covered by Central States.

It is important to note that while the Central States Fund has been enjoying better than average earnings for the past several years, it is still burdened by the investment losses suffered when the stock market collapsed in 2000-2002. The Fund has also recently made certain changes relating to the way it measures its "funding percentage" as mentioned above. As a result, and despite its more recent investment successes, the Fund's current funding ratio is actually lower than it was at the start of this year. That is why a large cash payment in advance by UPS would be beneficial to the overall health of the Fund.

During the months that we have been negotiating, we have explored numerous options for putting enough new money into Central States to improve its funding ratio and to put the Fund on track to improve its current benefit structure. We have had the actuaries make projections based upon three possible scenarios to determine if the additional contributions would permit Central States to improve benefits over the next fifteen years.

They were: 1) adding part-timers currently covered by other plans, 2) increasing contribution levels to levels far greater than ever negotiated under any Teamster contract, and 3) adding the employees of other UPS companies to the Fund. But none of these options would provide better benefits for UPS employees any time soon.

The only option that will dramatically increase the funding ratio of Central States and permit us to improve pension benefits for UPS employees during the term of the next contract is to reach a new collective bargaining agreement that permits UPS to withdraw from the Fund and pay a significant amount of cash in exchange for being able to leave. The Company has proposed doing that and also establishing a fully funded plan for UPS employees. We have concluded that the only way to safeguard your retirement security, and that of Teamster members who will remain in the Central States Fund, is to reach a satisfactory agreement that includes ironclad funding requirements and joint Teamster-UPS administration of a new fund. We also intend to negotiate unprecedented contribution increases for the remaining benefit plans. We will obtain the biggest improvement for each dollar we get from the Company if we reach agreement this year, not next. And that is true not only for Central States, but for all of the Teamster benefit funds in which you participate.

Thus, we are returning to the bargaining table with major responsibilities, not only to you, our loyal UPS members, but also to our other members who depend upon the Central States Pension Plan and other Teamster funds for their retirement and other benefits. As we have repeatedly said, we owe an obligation to make sure that nothing we negotiate jeopardizes the benefits relied upon by those Teamsters whose employers remain in the Central States Fund.

We also return to the table with the realization that there are many other issues remaining that are important to you, both economic items and work conditions. We have and will continue to address those matters with the Company.

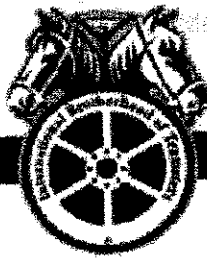
The end of the year is not far off. Because our contract ratification procedure takes considerable time, we will be working diligently during the next several weeks with the goal of reaching an agreement that can be recommended, presented and finalized before the New Year. As always, we depend on and appreciate the support you have given to your Local Unions and the Negotiating Committee. We urge each of you to attend the meetings, and participate in the events that your Local Union will be conducting in the coming months in order to keep you informed about the progress of negotiations and to send a message to the Company that you are watching and expect a settlement that will share its enormous profits with you, the men and women who made them possible.

Fraternally,

James P. Hoffa
General President

Ken Hall, Director
Parcel and Small Package
Trade Division

Union, UPS Remain 'Far Apart' on Contract



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Headline News

Union, UPS Remain 'Far Apart' on Contract

Team

Negotiations Resume Monday

09/17

September 7, 2007

09/17

The Teamsters National UPS Negotiating Committee finished negotiations for the week today, and the committee and the company remain far apart on key issues.

09/17

"We still are far apart on numerous economic and non-economic issues, and we will resume negotiations on Monday," said Ken Hall, Director of the Teamsters Parcel and Small Package Division. "The company presented its latest economic proposal today, and it still falls short in protecting our members' security."

09/17

Negotiations need to be wrapped up by October 1 to ensure that the new contract is in effect by the first of next year, when new pension rules will be in place that could affect members' retirement security.

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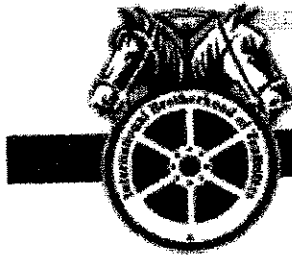
"The company needs to get serious and present a contract that we can recommend to our members because we are serious about the October 1st deadline to finish negotiations," Hall said.

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Negotiations will resume next week in Washington, D.C.

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Headline News

Hoffa Outlines Union's Demands at UPS Talks

Team

General President: Record Pension, Health and Welfare Contributions Must Be on the Table

09/17

September 11, 2007

09/17



The Teamsters are demanding a contract that provides more company contributions toward all members' pension, health and welfare plans than any other UPS contract in history, General President Jim Hoffa said during talks Monday, September 10.

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"We want to get the very best agreement," Hoffa, Co-Chairman of the Teamsters National UPS Negotiating Committee, told company negotiators

09/17

in Washington, D.C.

09/15

UPS is proposing to withdraw from the Central States Pension Fund, creating a new joint union/company-administered pension fund for those workers formerly covered by Central States. In return, the company will pay billions of dollars to cover its withdrawal liability.

09/14

Whatever the company pays for its withdrawal liability cannot be deducted from the overall economic package contained in the agreement, Hoffa said.

09/14

"It was the company's proposal to leave Central States, not the union's. UPS made an internal financial decision that should not be counted as part of the final economic settlement," Hoffa said. "We are still expecting major economic improvements if we are to reach an agreement."

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Hoffa reiterated the October 1 deadline the Teamsters have set to reach an early agreement that the union can recommend to members. "October 1st is coming fast," he said. The actual contract expiration date is August 31, 2008.

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The union and the company are still far apart on numerous economic and non-economic issues, said Ken Hall, Director of the Teamsters Parcel and Small Package Division and Co-Chairman of the union's negotiating committee.

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Negotiations resumed September 10 in Washington, D.C. and are expected to continue through the week.

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Hoffa stressed that the union's bargaining committee remains strong and united and will remain so throughout the negotiations.

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"Ken (Hall) and the entire committee are doing a great job together and we will win a

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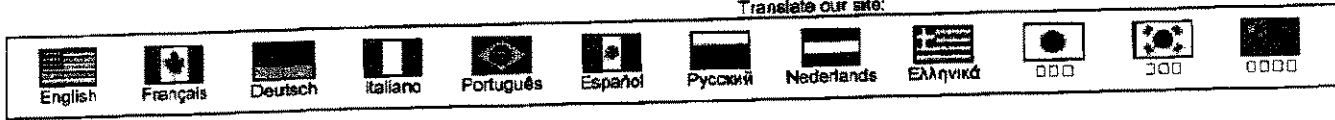
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Hoffa Outlines Union's Demands at UPS Talks

strong contract," Hoffa said. "It's time for the company to get serious and present us with proposals that will protect our members' futures."

On Tuesday, September 11, General Secretary-Treasurer Tom Keegel spoke to the negotiating committee, urging members to remain united in the contract fight.

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Headline News

UPS Talks to Resume September 24

Team

Both Sides Need to Narrow Major Differences

09/17

September 14, 2007

09/17

With both sides still far apart on the issues, including key economic proposals, national UPS contract talks have been continued to the week of September 24 in Chicago.

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The Teamsters National UPS Negotiating Committee finished talks for the week on Friday, September 14 in Washington, D.C. The week of September 17 is reserved for negotiators to work on supplements, addendums and riders.

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"While we remain far apart on many issues, the good news is that both sides are willing to continue to meet in an effort to reach an agreement before October 1," said Ken Hall, Director of the Teamsters Parcel and Small Package Division who is co-chairman of the union's National UPS Negotiating Committee.

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"The union and the company both want to resolve our differences. A tentative agreement before the end of the month will benefit our members," Hall said. "With that said, the company needs to get serious and make some movement so that our members' futures remain protected. We will not settle for anything less than that."

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The union wants to negotiate a contract that it can recommend to members by October 1 so that the agreement can get ratified by the end of the year.

09/14

On the table is UPS' proposal to withdraw from the Central States Pension Fund, which would create a new joint union/company-administered pension fund for those workers formerly covered by Central States. In return, the company will pay billions of dollars to cover its withdrawal liability.

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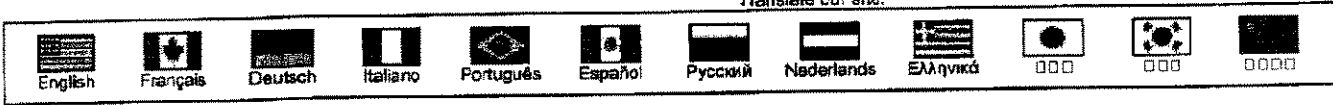
The union is seeking additional funding for members' pensions.

Hall and General President Jim Hoffa, who also serves as co-chairman of the committee, urge members to support the committee's efforts in the coming days.

"We sent stickers to each local union, and we ask that UPS Teamsters wear those when possible," Hoffa said. "We also sent T-shirts to stewards. The committee has done a great job under the leadership of Ken Hall, but we really need our members' support more than ever. We need to show the company that we are united in our fight to keep your futures secure. With your continued support, we're going to make that happen."

UPS Talks to Resume September 24

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Published on Teamsters for a Democratic Union (<http://tdu.org>)

UPS Negotiators Told to Finish Supplements This Week

By TDU

Created 2007-09-17 21:42

September 17, 2007: National bargaining has been suspended until Sept. 24. Negotiations on more than 30 supplemental agreements and local riders are being held this week.

Local and supplemental negotiators have been instructed by the IBT to complete bargaining on all supplements by the end of the week.

Supplements are regional and local addenda to the national agreement that contain language governing our working conditions and rights.

Across the country, management has taken a hard line in supplemental negotiations, refusing to agree to improvements unless the union gives up concessions in return. But this is no time for givebacks—not when UPS made more than \$4 billion in profits last year.

We have the power to win improvements in the supplements if our International Union backs up our negotiators at the supplemental level.

Issues that are deadlocked in supplemental negotiations are kicked up to national bargaining to be resolved.

When national negotiations resume on Sept. 24, UPS will have one week to hammer out the early agreement that shippers and stockholders are demanding. The pressure is on the company.

Our negotiators at the local and national levels should take advantage of this leverage by deadlocking supplemental issues to the national where necessary and then using our national clout to win the improvements we need.

[Click here to tell us what you think are the key issues in your supplement.](#) [1]

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DATE & TIME SENT September 18, 2007

COMMENTS: _____

